THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

W.P.No.13608 of 2007

Date:09.08.2007

Between:

B.Madhu @ Madhu Nageswara Rao Balumuri

..... PETITIONER

AND

The A.P. Cooperative Oil Seeds Growers Federation Ltd.
and others.

.....

RESPONDENTS

ORDER:

The petitioner is a labour contractor. The first respondent-Federation placed an order on the petitioner for supply of different categories of workers for their factory at Aswaraopeta. This arrangement is going on for the past few months and payments were being made in every fortnight.

The first respondent issued a tender notice, dated 23.05.2007, inviting applications from the registered labour contractors to supply labour. The petitioner, third respondent and another submitted their tenders, and the tenders were opened on 05.06.2007. The award of contract in pursuance of the tender notice is yet to take place. The grievance of the petitioner is that the first respondent is not making payments for the workers supplied by him and is taking steps to entrust the work to another agency, on temporary basis.

On behalf of respondents 1 and 2, a counter-affidavit is filed. The fact that the petitioner was entrusted with the work of supplying labour is admitted. It is also stated that the process of awarding the contract in pursuance of the tender notice is in progress. The respondents allege that the petitioner was not regular either in attending the office or supplying the labour since third week of June, 2007. A letter, dated 14.07.2007, was addressed asking him to collect the payment and to clear the arrears in the canteen and other places. It is further contended that on account of the lapses committed by the petitioner in handling the perishable items, the services of other agencies are being availed.

Heard Sri K.Mahipathi Rao, the learned counsel for the petitioner and Sri M.Papa Reddy, the learned counsel for respondents 1 and 2.

It is always open to respondents 1 and 2 to award the contract, to any agency depending on their satisfaction about the conditions stipulated in the tender notice. So far as the existing arrangement is concerned, the petitioner has already been engaged as an agency to supply the labour. Till the writ petition was filed and the interim order was passed on 23.07.2007, the respondents did not communicate any proceedings to the petitioner expressing any displeasure or dissatisfaction. The averments of the petitioner that he submitted representation on 21.06.2007 for clearance of bills remains unrebutted.

In the counter-affidavit, several allegations are made against the petitioner. However, having regard to the fact that all of them relate to the period, subsequent to the filing of the writ petition and the interim order, dated 23.07.2007, this Court is not inclined to accept the same on their face value. At the same time, the respondents cannot be denied the liberty to terminate the contract of the petitioner, if the performance is not satisfactory. Further, the arrangement with the petitioner can subsist only, till the contract is awarded on regular basis, in pursuance of the tender notice.

For the foregoing reasons, the writ petition is disposed of, directing that:

(a) the arrangement with the petitioner for supply of labour to the first respondent shall continue and he shall be paid the bills for the labour supplied by him as per the agreed rates. It shall also be open to respondents 1 and 2 to terminate the contract with the petitioner, duly issuing notice and pointing out the specific instances of commissions and omissions; and

(b) the present arrangement with the petitioner shall subsist only, till the contract is awarded on regular basis to an agency in pursuance of the tender notice, dated 23.05.2007, or it is terminated, as indicated above.

There shall be no order as to costs.

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09.08.2007

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